

Almacenes Éxito S.A.

Consolidated Financial Results

3Q20

Envigado, Colombia, October 28, 2020 - Almacenes Éxito S.A. ("Grupo Éxito" or "the Company") (BVC: ÉXITO / ADR: ALAXL) announced its results for the third quarter period ended September 30, 2020 (3Q20). All figures are expressed in millions (M) of Colombian Pesos (COP) unless otherwise stated. Consolidated data include results from Colombia, Uruguay, eliminations and Argentina and the net result of Gemex O&W S.A.S. registered as discontinued operation in 2019.

Retail continued benefitted by innovation and strong omnichannel performance

KEY BUSINESS HIGHLIGHTS

Financial Highlights

- Consolidated Net Revenue reached COP \$3.65 billion in 3Q20 benefited by strong omni-channel growth (3.0x), solid performance of innovative formats WOW and FreshMarket and strong sales growth in Uruguay (+11.2%⁽¹⁾).
- Recurring EBITDA was COP \$249,457 million and margin was 6.8%. Operating margin gains from expense control activities across operations were offset by lower contribution from complementary businesses affected by COVID-19 context.
- Net Group Share Result grew by 4.7x to an income of COP \$51,814 million boosted mainly by an improved capital structure, income from associates (mainly TUYA) and Uruguay performance.
- Consolidated CAPEX of COP \$68,451 million (71.0% on expansion, innovation, omni-channel and digital transformation activities).

Operating Highlights

- Colombia posted the strongest omni-channel growth (3.5x; 18.2% share); Uruguay also kept a strong growth trend (1.4x).
- Gains in operating performance (+90 bps) were offset by macroeconomic impacts on complementary businesses.
- Operational excellence programs led SG&A to grow below sales growth levels across all business units.
- Innovation in formats and channels: WOW and FreshMarket continued growing above the rest of stores; Click and Collect service was available at 530 stores vs. 75 pre-COVID-19 in LatAm.

Outlook

- Protocols applied in all countries to face and mitigate effects from COVID-19.
- Shifting retail investment into omnichannel activities and strengthening of e-commerce.
- Holding's net and gross financial debt ratios at a very healthy level by the end of 2020 with a strong cash position.
- CapEx in Colombia of COP \$200,000 million focused on innovation, omnichannel and projects related to logistic and IT for e-commerce.

"Quarterly results showed that the omnichannel and innovation strategies are great initiatives to face changing market conditions. Results during the third quarter of 2020 were driven by the positive performance of the on-line channels in Colombia which grew 3.5x and represented 18.2% of the Company's total sales share (vs. 14.7% in 2Q20; 4.4% in 3Q19) and by sales in Uruguay, which grew 11.3%, leveraged by the performance of the fresh market model and ecommerce which grew 1.4x and represented 2.8% of the total sales share in this country. In Argentina, the operation registered operational profit despite its challenging macroeconomic environment. Consolidated net sales grew by 5.2% YTD and net group result was an income of COP \$86,558 million which compares to the COP \$19,519 million net loss reported the same period last year. Nevertheless, results were impacted by the mobility restrictions applied in Colombia and Argentina to mitigate the spread of COVID-19, that led to the closure of hundreds of stores and shopping centers over weekends. Thus, the strategies defined by Grupo Éxito have allowed it to face the current situation due to the pandemic and to be a resilient company despite negative effects on businesses as relevant as the real estate and the financial" stated Carlos Mario Giraldo Moreno, CEO of Grupo Éxito.

(1) In local currency, including the calendar effect adjustment of 0.2% in 3Q20.

I. Consolidated Financial and Operating Performance

Please note that for comparison purposes, 3Q19 and 9M19 consolidated results included the Brazilian segment (Companhia Brasileira de Distribuição – CBD, Segisor S.A.S. and Wilkes Participações S.A., sold on November 27, 2019 and subsidiary Gemex O&W S.A.S. (Colombia), as net result of discontinued operations.

Consolidated Operating Performance

in COP M	3Q20	3Q19	% Var	9M20	9M19	% Var
Net Sales	3,507,629	3,424,872	2.4%	10,967,573	10,423,901	5.2%
Other Revenue	142,310	199,597	(28.7%)	423,253	544,654	(22.3%)
Net Revenue	3,649,939	3,624,469	0.7%	11,390,826	10,968,555	3.8%
Gross Profit	901,871	917,706	(1.7%)	2,814,868	2,769,795	1.6%
<i>Gross Margin</i>	<i>24.7%</i>	<i>25.3%</i>	<i>(61) bps</i>	<i>24.7%</i>	<i>25.3%</i>	<i>(54) bps</i>
Total Expense	(783,684)	(768,277)	2.0%	(2,388,910)	(2,342,535)	2.0%
<i>Expense/Net Rev</i>	<i>21.5%</i>	<i>21.2%</i>	<i>27 bps</i>	<i>21.0%</i>	<i>21.4%</i>	<i>(38) bps</i>
Recurring Operating Income (ROI)	118,187	149,429	(20.9%)	425,958	427,260	(0.3%)
<i>ROI Margin</i>	<i>3.2%</i>	<i>4.1%</i>	<i>(88) bps</i>	<i>3.7%</i>	<i>3.9%</i>	<i>(16) bps</i>
Net Group Share Result	51,814	11,033	369.6%	86,588	(19,519)	(543.6%)
<i>Net Margin</i>	<i>1.4%</i>	<i>0.3%</i>	<i>112 bps</i>	<i>0.8%</i>	<i>(0.2%)</i>	<i>94 bps</i>
Recurring EBITDA	249,457	275,353	(9.4%)	811,432	809,361	0.3%
<i>Recurring EBITDA Margin</i>	<i>6.8%</i>	<i>7.6%</i>	<i>(76) bps</i>	<i>7.1%</i>	<i>7.4%</i>	<i>(26) bps</i>

Note: Consolidated data include results from Colombia, Uruguay and Argentina, eliminations and the FX effect (0.1% and -0.5% at top line and at recurring EBITDA in 3Q20 and of -1.9% and -1.5% in 9M20, respectively). (1) Net revenue excluding FX and SSS excluding FX and calendar effect adjustment.

Consolidated Net Revenue in 3Q20 grew by 0.7% (FX effect of 0.1%) to COP\$ 3.65 billion and by 3.8% in 9M20 (+5.9 when excluding a -1.9% FX effect) to COP\$ 11.39 billion. **Consolidated net sales in 3Q20** totalled COP \$3.51 billion (+2.4%) driven by the strong growth of omni-channel (3.0x), the good evolution of retail sales in Uruguay (+11.3%) and the consistent performance of innovative models WOW and FreshMarket stores across countries. Sales levels also benefited from the 24 stores opened, converted and refurbished during the last 12 months in the region. There was a negative effect from COVID-19 on net sales levels and affecting the recovery of other revenue, as governments implemented mobility restrictions and reduced opening hours to food stores. Besides, there were mandatory closings of businesses during weekends in several main cities in Colombia such as Bogotá, Medellín and others in the Coffee Region as well as in Argentina in the cities of Córdoba, Chaco, Santiago, Salta, Mendoza and Rafaela. These restrictions affected 220 stores (213 in Colombia and 7 in Argentina) and most of the shopping malls of the Company, thus, the level of revenue from complementary businesses, mainly the real estate and the financial due to the absence of royalties from TUYA.

- **Gross Margin** was 24.7% both in 3Q20 and in 9M20 as a percentage of Net Revenue. Margin levels reflected the effect of COVID-19 on the slow reactivation of commerce that led to the absence of royalties from TUYA and discounts granted to tenants that lowered revenue from the real estate business both in Colombia and Argentina, due to restrictions on mobility and mall's closures. Quarterly gross margin levels excluding the COVID-19 effect would have grown by 70 bps.
- **SG&A expense** in 3Q20 grew by 2.0% to 21.5% as a percentage of Net Revenue versus the same period last year and by 1.6% when excluding FX effect. Expenditure grew below inflation in all countries and below sales growth in

Colombia, Uruguay and at consolidated level, thanks to operating excellence activities which led to savings mainly related to labour and marketing expenses. SG&A levels during the first nine months of the year reduced by 38 bps to 21.0% as a percentage of Net Revenue versus the same period last year, benefitted by strong expense control activities across operations and higher net sales growth (+5.2%) that favoured expense dilution.

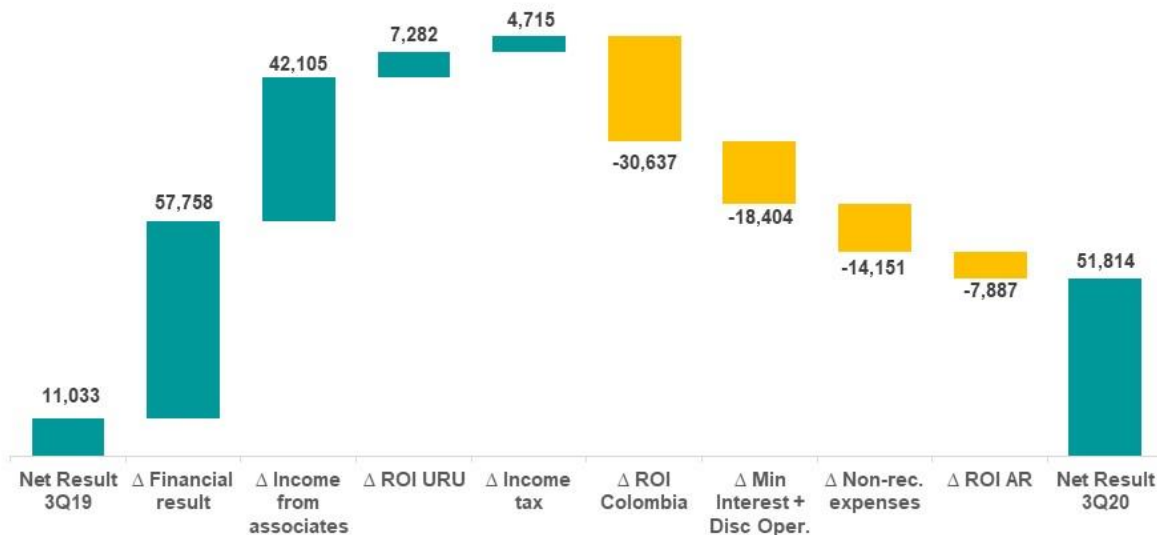
- **Recurring Operating Margin** in 3Q20 was 3.2% and 3.7% in 9M20 as a percentage of Net Revenue. **Recurring EBITDA** was COP \$249,457 million in 3Q20 for a 6.8% margin as percentage of Net Revenue. Margin levels reflected the macro and COVID-19 effects on the business mainly in TUYA and the real estate business in Colombia and Argentina. In 9M20, the **Recurring EBITDA** was COP \$811,432 million and above the level in COP seen in 9M19 and margin was 7.1% as percentage of Net Revenue, a very healthy outcome considering current macro and market conditions.

Recurring EBITDA Bridge⁽¹⁾



(1) Effect on complementary businesses related to the absence of royalties from TUYA in Colombia and discounts granted to tenants in Colombia and Argentina.

- **Consolidated Net Group Share Result** in 3Q20 was an income of COP \$51,814 million, which compares to the income of COP \$11,033 posted the same period last year.



Note: ROI of international operations includes FX effect. Consolidated data include results from Colombia, Uruguay and Argentina, the net result of Gemex O&W S.A.S. (2019 and 2020) registered as discontinued operation and eliminations.

Net income grew by 4.7 times and mainly reflected the positive variations of lower financial expenditure from an improved capital structure, of the Uruguay performance and of income from associates mostly related to the TUYA business. It is

noteworthy that TUYA posted absence of royalties affecting operating performance but contributed to results through the equity method. There were negative variations of the performance in Colombia and Argentina and in non-recurring expenses related to restructuring processes.

Earnings per Share (EPS)

- Diluted EPS was COP \$115.8 per common share in 3Q20 which compares to the COP\$ 24.6 reported the same period last year.

CAPEX

- **Consolidated Capital Expenditures** in 3Q20 were COP \$68,451 million (related to Colombia, Uruguay and Argentina). Near to 71.0% of CapEx was allocated to new formats, innovation, omni-channel and digital transformation activities during the period and the remainder to maintenance and support of operational structures, IT systems updates and logistics.

Food Retail Expansion

- Grupo Éxito opened 7 stores in 3Q20 in the region as follows: 5 stores in Colombia (2 Surtimayorista stores from conversions and 1 Éxito Express and 2 Éxito WOW stores were remodeled), and 2 FreshMarket stores were refurbished, 1 each in Uruguay and Argentina. Thus, the Company reached 24 stores from openings, conversions and remodeling in the region within the last 12 months.
- Grupo Éxito ended the period with 630 food retail stores, geographically diversified as follows: 515 stores in Colombia, 90 in Uruguay and 25 in Argentina. The store count does not include allies in Colombia. The Company's consolidated selling area reached 1.03 million square meters.

Corporate Governance and Sustainability Achievements

- The Board of Directors modified the scope of its Expansion Committee and added other duties regarding the analysis of the Company's complementary businesses. Accordingly, the committee was renamed as the Business and Investment Committee.
- Grupo Éxito launched "Juntos Construimos País" (Together We Build a Country), an initiative to support local producers and suppliers. The aim of this initiative is to work for the country with optimism and confidence, given current challenging times. It is noteworthy, that 91% of fruits and vegetables sold by Grupo Éxito are purchased locally, of which, 82% are acquired directly from over 650 farmers.
- The Company anticipated payments to close to 1,000 small and mid-sized suppliers, aiming to ensure their cash flow and to support the continuity of their operation affected by COVID-19.
- In alliance with Fundación Éxito, the Company continued working towards the improvement of the country's early childhood nutrition. As per the International Breastfeeding Week, institutions in partnership with Fundación Éxito, as

well as other from the private and public sectors, carried out a virtual breastfeeding event named “Lactatón”. The event reached a record of over 27,000 pics from mothers breastfeeding their children, uploaded in social media.

- Under the leadership of the Consumer Goods Forum, mass consumption companies and retailers in Colombia joined and relaunched the initiative for 2020 under the concept "Feel Good". Thus, consumers will be informed about the importance of keeping healthy habits, a balanced life and diet, good personal care and hygiene habits, and promoting physical activity on a daily basis.

Commercial Activities

Colombia

- The second “Non-VAT day” was held in Colombia on July the 3rd. The sales performance of the non-food category kept the same trend seen in the previous event held in June, with the electro category boosting sales. The government decided to re-scheduled the third day with the tax benefit from July 19th to the last quarter of the year.
- The “Megaprima” event, held mainly at stores in 2019, was replaced by the “PromOnline” event which took place from June 29th to July 13th and was conducted exclusively through digital channels. Grupo Éxito aimed to adapt its commercial proposition to the current social distance context.
- Carulla, Grupo Éxito's premium brand, celebrated its 115th anniversary from August 31st to September 15th. The oldest premium supermarket in the country has constantly reinvented itself to be at the forefront of the market, targeting initiatives aiming to transform the experience of its customers according to their consumption habits, offering of healthier alternatives and promoting environmental responsibility and consciousness.
- The fourth edition of the “Vida Sana” fair (healthy life) took place and customers were able to join the experience both at stores and in virtual reality through the websites and the social media networks of the Éxito and the Carulla banners. Activities focussed on food, sports, body care and well-being.
- During the last days of September, the Éxito banner started one of its main promotional event of the year “Dias de Precios Especiales”.

Uruguay

- The Company executed promotional activities as planned for the quarter, including “Todo a 19” at all banners during August and the “Children Day” with special discounts and products for them.
- The “Salón del vino” event posted positive results and boosted Geant sales performance in September.
- The Devoto banner implemented “Quincena Amarilla”, “Descuentos Irresistibles” and “Quincena de Colores” during August and September.

Argentina

- Within a context of aggressive competitiveness and price controls, Libertad limited promotional activities during the quarter to protect margins.
- The “Todo X and Ofertas Arrasadoras” campaigns took place at hypermarkets during July, for food and non-food categories.
- The “Children Day” and the “Anniversary” campaigns were launched in August with discounts to over 1,500 products.

- The “Hiperahorro” event offered special discounts applied to debit and credit card payments during September.

Awards & Recognitions

- Grupo Éxito’s Investor Relations best practices were recognized by the Colombian Stock Exchange for the 8th consecutive year.

Events after the reporting period

- There were no events to announce after the reporting period.

II. Financial and Operational Performance by Country

Colombia

The macroeconomic context in Colombia continued affected by COVID-19 restrictions on mobility and commercial closures. As GDP plunged -15.7% in the 2Q20, the highest drop ever seen in the country, the Central Bank continued its expansion policy and cut the repo rate to a historically low of 1.75% at the end of the third quarter of 2020. Unemployment recovered from the level posted in 2Q20 (19.8%) to a 16.8% level as of August (+6.5 p.p vs. 3Q19). LTM inflation dropped to 1.97% (below the Central Bank's 3% target) due to relief measures such as subsidies and tax rebates; in the contrary, food inflation rose to 4.13%. Consumer confidence in September remained at negative grounds at -21.6 (vs. -10.7 in 3Q19). Within this challenging environment, total retail sales excluding gas and vehicles decreased by 9.9% as of August YOY.

Total Net Sales & SSS in Colombia

Variations	3Q20					9M20				
	grupo éxito	éxito	Carulla	SM & SI (2)	B2B & Other (3)	grupo éxito	éxito	Carulla	SM & SI (2)	B2B & Other (3)
SSS	-0.4%	-0.2%	9.9%	-7.1%	-19.0%	4.9%	3.7%	14.9%	3.8%	-4.9%
Total	-0.3%	-0.6%	10.1%	-11.4%	-1.5%	4.9%	3.6%	14.9%	-2.0%	8.5%
SSS⁽¹⁾	-0.3%	-0.2%	10.0%	-7.0%	-19.0%	4.6%	3.4%	14.6%	3.5%	-4.9%
Total⁽¹⁾	-0.3%	-0.6%	10.2%	-11.3%	-1.5%	4.6%	3.3%	14.6%	-2.3%	8.5%
Total MCOP	2,665,349	1,833,199	415,719	253,796	162,635	8,312,024	5,666,839	1,288,359	849,494	507,332

(1) Including the effect of conversions and the calendar effect adjustment of 0.0% in 3Q20 and of 0.3% in 9M20. (2) Sales from Surtimax and Super Inter brands. (3) Sales from Surtimayorista, Allies, Institutional and third-party sellers and the sale of real estate projects worth COP \$24,500 M in 3Q20 and COP \$67,000 in 9M20.

The Colombian operation contributed to 76% of 3Q20 consolidated net sales. During the third quarter, **Net Sales** in the country reduced by -0.3%⁽¹⁾ to COP \$2.67 billion and posted a growth of 4.6%⁽¹⁾ in the first-nine-months of the year to COP \$8.31 billion. Quarterly net sales performance reflected (i) the solid omni-channel sales growth (+3.5x), (ii) the strong sales performance of the Carulla banner (+10.2%⁽¹⁾), (iii) the continuous sales growth of innovative formats WOW (+8.1%) and FreshMarket (+24.0%), and (iv) the sales boost of the non-food category (+6.0%) mainly driven by electronics. Expansion also contributed to sales, as 21 stores were included in the LTM base, from openings, conversions and remodelling. Net sales in 3Q20 also reflected the negative effect seen from the lockdown measures forced mainly in July and August at the 2 main cities Bogotá and Medellín due to COVID-19, affecting the operation of 213 stores in the country, an impact estimated at around -380 bps.



(1) Including the effect of conversions and the calendar effect adjustment of 0.0% in 3Q20.

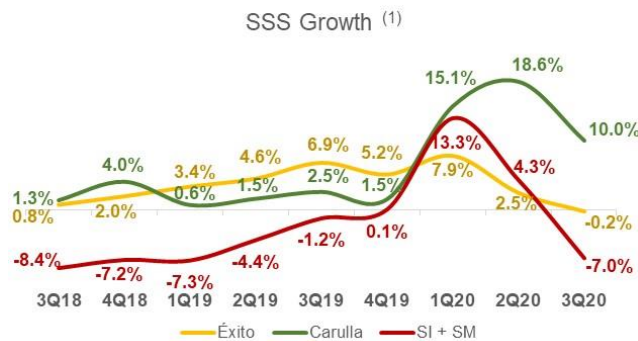
Same-store sales (SSS) in Colombia decreased by 0.3%⁽¹⁾ in 3Q20 and reflected the strong LFL evolution of the Carulla segment (+10.0%⁽¹⁾) driven by the successful omni-channel strategy and the SSS evolution of the non-food category (+6.5%⁽¹⁾) offset the negative effect from the COVID-19 restrictions explained above, with an estimated effect on Colombia SSS levels was of approximately -380 bps.



(1) Including the effect of conversions and the calendar effect adjustment of 0.0% in 3Q20.

- Retail sales and LFL levels in Colombia benefited from the customer's response towards innovative formats WOW and FreshMarket and the solid omnichannel strategy. These two initiatives showed the accurate planning and response of Grupo Éxito to ever changing retail trends, currently, the challenging COVID-19 context and its effects on consumption.

Net Sales & SSS Colombia – By Segment



(1) Including the effect of conversions and the calendar effect adjustment of 0.0% in 3Q20. SI + SM: sales from Surtimax and Super Inter brands.

- The Éxito segment** represented approximately 69.0% of the sales mix in Colombia. Net sales performance reflected the low double-digit growth posted in Bogotá (about 40% of the segment sales share) and in the coffee Region, offset by the outcome posted in the Atlantic Coast, Medellín and Santander due to mobility restrictions (73 stores impacted, representing almost 30% of banners sales, estimated effect on sales over -360 bps). The non-food category driven by electronics contributed strongly to sales growth, however, the outcome was offset by the performance of the other categories, affected by a lower dynamism of promotional events and decreased traffic to stores due to COVID-19. As per the innovative model, 2 Éxito WOW stores opened in September, Laureles in Medellín, and Villamayor in Bogotá, for a total of 11 WOW stores as of 3Q20. The WOW stores posted a growth of 14.9 p.p. above other Éxito stores and continued contributing to the segment's performance and represented a 21% share of the banner's total sales in 3Q20.

- The Carulla segment** was the best performing banner for the last 3 consecutive quarters and represented near to 16.0% of the sales mix in Colombia during 3Q20. Net sales grew by 10.2%⁽¹⁾ and SSS by 10.0%⁽¹⁾, boosted mainly by (i) the low double-digit growth of the FMCG, (ii) the high low-digit growth of the food category, and (iii) the double digit sales growth in Bogotá, Cali and the Coffee Region, driven by the strong performance of the omni-channel platform. The Carulla segment was also affected by closures and restrictions in main cities, an estimated effect on sales over -440 bps. FreshMarket stores also contributed to the segment's performance and FM stores grew sales by 24.0% (+20 p.p vs. other Carulla stores) and represented a 28.3% share of the banner's total sales in 3Q20.
- The low-cost segment** which includes the Super Inter and Surtimax banners, represented more than 9.0% of sales in Colombia during 3Q20. The segment's net sales and SSS levels contraction reflected (i) the mobility restrictions and social protests in the banner's main markets (Medellín, Bogotá, Cali and the Coffee Region) that affected 87 stores (which represent close to 60% of the banner's sales and estimated effect on sales over -550 bps), (ii) temporary closures due to remodelling works to deploy innovative concepts, and (iii) the negative effect from exiting the Surtimax banner from the Atlantic coast due to store base optimization. Amidst this challenging context, Grupo Éxito launched the Last Mile service as an omni-channel strategy to improve customer service and to favour retail sales recovery.
- The **B2B and Other** segment represented 6.0% of sales in Colombia during 3Q20. Net sales and SSS levels reflected the positive contribution from the sale of property project Montevideo worth COP \$24,500 million offset by the strongly negative effect of mobility restrictions affecting 13 Cash and Carry stores, which represented 36% of the banner's sales, with an estimated effect on sales over -120 bps. The Company continued with its strategy and converted 2 Surtimayorista stores during the third quarter. The banner totalled 34 stores as of 3Q20 and represented 3.8% of Colombia's sales share. Surtimayorista net sales and SSS contraction (-19.0%) reflected the negative effect of mobility restrictions as well as the slow commercial reactivation of HORECA businesses only seen at the end of September. Grupo Éxito launched a pilot of a Last Mile service to complement its relational marketing program "**Club del Comerciante**" for institutional customers.

Operating Performance in Colombia

in COP M	3Q20	3Q19	% Var	9M20	9M19	% Var
Net Sales	2,665,349	2,673,127	(0.3%)	8,312,024	7,922,962	4.9%
Other Revenue	122,829	184,834	(33.5%)	381,177	497,770	(23.4%)
Net Revenue	2,788,178	2,857,961	(2.4%)	8,693,201	8,420,732	3.2%
Gross profit	613,492	660,194	(7.1%)	1,924,863	1,909,022	0.8%
<i>Gross Margin</i>	<i>22.0%</i>	<i>23.1%</i>	<i>(110) bps</i>	<i>22.1%</i>	<i>22.7%</i>	<i>(53) bps</i>
Total Expense	(539,962)	(555,835)	(2.9%)	(1,649,418)	(1,624,327)	1.5%
<i>Expense/Net Rev</i>	<i>19.4%</i>	<i>19.4%</i>	<i>(8) bps</i>	<i>19.0%</i>	<i>19.3%</i>	<i>(32) bps</i>
Recurring Operating Income (ROI)	73,530	104,359	(29.5%)	275,445	284,695	(3.2%)
<i>ROI Margin</i>	<i>2.6%</i>	<i>3.7%</i>	<i>(101) bps</i>	<i>3.2%</i>	<i>3.4%</i>	<i>(21) bps</i>
Recurring EBITDA	186,554	217,552	(14.2%)	607,581	618,736	(1.8%)
<i>Recurring EBITDA Margin</i>	<i>6.7%</i>	<i>7.6%</i>	<i>(92) bps</i>	<i>7.0%</i>	<i>7.3%</i>	<i>(36) bps</i>

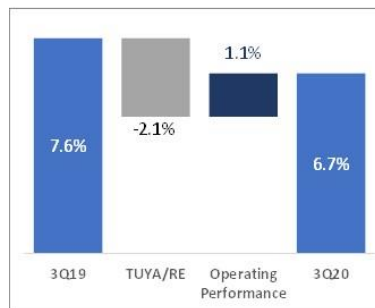
Note: Includes Almacenes Éxito S.A. and its subsidiaries in Colombia. Sales included the sale of real estate projects worth COP \$24,500 M in 3Q20 and COP \$67,000 in 9M20.

- Net Revenue** decreased by 2.4% in 3Q20 and reflected (i) net sales benefitted by a strong omnichannel growth (3.5x) that boosted sales of the Carulla banner (+10.0%) and the solid sales outcome from innovative formats (WOW +8.1%; FreshMarket +24.0%) offset by the impacts from mobility restrictions that took place in main cities along the quarter

and negative effect on 213 stores and (ii) the negative effect on **other revenue** due to the lower contribution of complementary business, mainly with the absence of TUYA’s royalties and the slow reactivation of shopping malls (traffic decreased by double-digit) and discount given to tenants. Nevertheless, the real estate business improves its performance, benefited by the omnichannel strategy implemented in 2Q20 with the “VIVA online” virtual shopping mall, the VIVA delivery service and the Click and Collect service available at 12 shopping malls.

- **Gross Margin** in 3Q20 was 22.0% and reflected a better operating performance (+60bps) offset by lower sales dilution and contribution from complementary businesses mainly TUYA and Real Estate (-170 bps). Gross Margin in 9M20 was 22.1% as percentage of Net Revenue.
- **Recurring EBITDA** was COP \$ 186,554 million and margin was 6.7% in 3Q20. Operating performance in Colombia (+110 bps) reflected retail gains from SG&A reduction derived from strict cost control activities and efficiencies in the expenditure structure affected by a strong impact from lower contribution from complementary business (mainly TUYA and the real estate). Quarterly and YTD expenditure grew below the net sales trend. **Recurring EBITDA margin** was 7.0% in 9M20 as percentage of Net Revenue and reached COP \$607,581 million.

Recurring EBITDA Bridge⁽¹⁾



(1) Effect on complementary businesses related to the absence of royalties from TUYA and discounts granted to tenants.

Omni-channel, Innovation and Digital Transformation in Colombia in 3Q20

Omni-channel

Grupo Éxito’s strong and profitable omnichannel platform responded rapidly to the new customer’s habits, levered in a dual model (own capabilities and exclusive partners). Omni-channel reached a record on sales during 3Q20 (COP \$490,624 million, 3.5x growth) and the activity represented 18.2% of Grupo Éxito’s total sales in Colombia (versus 14.7% in 2Q20 and 4.4% in 3Q19). Total deliveries posted a 2x growth versus 3Q19 and reached 2.6 million in 3Q20.

- **Ecommerce:** exito.com and carulla.com grew sales by 5.3x in 3Q20 and totalled over 52 million visits and 460,000 orders (+2.5x million visits and +4.9x orders vs 3Q19). The extraordinary performance benefited by promotional events focused on digital channels in order adapt the Company’s commercial proposition to the current social distancing context.
- **Marketplace:** Over 1,300 vendors were registered as of 3Q20 and the business unit grew by 2.2x in Gross Merchandise Value (GMV), reaching over 18,000 sold units. The Company continued strengthening its platform’s functionalities while leading international brands such as Miniso, Decathlon and Mac Center, which joined the

Company's VIVA online proposition.

- **Last Mile & Home Deliveries:** During the 3Q20, the home delivery service was extended not only to mid and premium market banners Carulla and Éxito, but also to low-cost banners Surtimax, Super Inter and Surtimayorista. The Company managed to increase deliveries by 2x versus 3Q19, to 2.6 million, benefitted by the exclusive alliance with the last miler Rappi. Deliveries by served by Grupo Éxito logistics grew by 6.1x in food categories and by 3.8x in non-food categories.
- **Digital catalogues:** Kiosks devices were available at 202 stores in Colombia to improve customer's experience at the physical channel. A gradual recovery in this channel was seen along the quarter, and sales grew by 29%, driven by improved traffic at stores and promotional events at Éxito banners focused on digital channels.
- **Click & Collect:** The service is available at 479 stores in Colombia, 435 stores more than pre-COVID-19. During 3Q20, orders grew by 7.2x and sales by 3.5x. The service was also available at 12 shopping malls of VIVA brand, offering delivery service to tenants' clients through WhatsApp.

Innovation

- **Éxito Wow:** 2 Éxito WOW stores were refurbished in 3Q20, Laureles in Medellín and Villamayor in Bogotá. These stores included the latest generation of technological support, an offering to the customers' experiences based on their new consumption needs and provide different omni-channel experiences. The model totalled 11 top stores in terms of sales as of 3Q20, located in the cities of Bogotá, Medellín and Cali as well as in the regions of Santander, Boyacá and the Atlantic Coast. Stores from this model grew sales by 8.1% in 3Q20 (+14.9 p.p. versus other Éxito stores) and represented 21.0% share of the banner's total sales.
- **Carulla FreshMarket:** This innovative model is already implemented at 13 stores in the cities of Bogotá, Medellín, Barranquilla, Cali, Cartagena and Santa Marta. Stores from this model grew sales by 24.0% versus 3Q19 (+20 p.p. versus other Carulla stores) and represented 28.3% share of the banner's total sales during 3Q20. The model performance continued levered by digital and omnichannel experiences as well as the high quality provided in fresh products and services.
- **Cash & Carry:** During 3Q20, 2 stores opened from conversions under the Surtimayorista brand. The banner totalled 34 stores, which represented 3.8% share of Colombia total sales. Lockdown restrictions due to the COVID-19 context, continued affecting sales strongly, especially in key markets such as Bogotá and the Atlantic coast, as well as per the slow reactivation seen of HORECA businesses. To enhance performance, Surtimayorista launched a Last Mile delivery service as an omnichannel lever of growth to complement its relational marketing program "El Club del Comerciante", the first of its kind in the country focused on institutional customers.
- **Private Label:** In 3Q20, food private label continued representing a mid-teen share on FMCG sales in Colombia. Our flagship labels "*Frescampo*" and "*Taeq*" continued positioning, as a quality low cost brand and a strong healthy brand, respectively, in Colombia. Regarding the textile category, Arkitect and Bronzini represented almost 50% of the total textile category's sales in Colombia and continued to make top designers' collections available to all our customers.

Digital Transformation

- **Apps:** Éxito and Carulla apps reached over 3.4 million downloads in the last-12-months and 3.1 million discounts were activated in the first nine months of 2020. Éxito's app was updated and relaunched and became the second most downloaded application in the country. The perks added were improved usability and integration with the

Company's trade ecosystem, customized discounts, integration with Puntos Colombia and compatibility with digital wallet. The new version had a high level of adoption with over 85% of active users.

- **Dark Stores:** A second dark store opened in Medellín during 3Q20 to complement the other one operating from Bogotá. Efforts focused on increasing efficiencies along the delivery process.
- In Colombia, the Company continued implementing developments in frictionless, customer service, start-ups, data analytics, logistic and supply chain and HR Management according to the strategy established for 2020 to 2022.

Uruguay

in COP M	3Q20	3Q19	% Var	9M20	9M19	% Var
Net Sales	622,176	598,234	4.0%	1,967,844	1,855,857	6.0%
Other Revenue	6,303	6,638	(5.0%)	18,646	17,419	7.0%
Net Revenue	628,479	604,872	3.9%	1,986,490	1,873,276	6.0%
Gross profit	208,807	199,956	4.4%	664,503	635,834	4.5%
<i>Gross Margin</i>	<i>33.2%</i>	<i>33.1%</i>	<i>17 bps</i>	<i>33.5%</i>	<i>33.9%</i>	<i>(49) bps</i>
Total Expense	(163,623)	(162,054)	1.0%	(498,931)	(497,281)	0.3%
<i>Expense/Net Rev</i>	<i>26.0%</i>	<i>26.8%</i>	<i>(76) bps</i>	<i>25.1%</i>	<i>26.5%</i>	<i>(143) bps</i>
Recurring Operating Income (ROI)	45,184	37,902	19.2%	165,572	138,553	19.5%
<i>ROI Margin</i>	<i>7.2%</i>	<i>6.3%</i>	<i>92 bps</i>	<i>8.3%</i>	<i>7.4%</i>	<i>94 bps</i>
Recurring EBITDA	58,131	50,621	14.8%	204,674	176,359	16.1%
<i>Recurring EBITDA Margin</i>	<i>9.2%</i>	<i>8.4%</i>	<i>88 bps</i>	<i>10.3%</i>	<i>9.4%</i>	<i>89 bps</i>

Note: Data in COP includes a -6.6% FX effect in 3Q20 and -5.8% in 9M20. (1) In local currency, including the calendar effect adjustment of 0.2% in 3Q20. (2) Recurring EBITDA margin grew by 22.9% in local currency.

Net Sales & SSS in Uruguay

- In Uruguay, GDP decreased by 10.6% in 2Q20 and unemployment closed at 10.6% in August (in line with the 10.7% posted in June). Inflation dropped to 9.92% in 3Q20 (vs.10.4% in 2Q20; 7.8% in 3Q19), while the food component reached 13.5% (vs. 16.6% in 2Q20; 8.8% in 3Q19). Amidst this context, the Consumer Confidence Index remained on negative grounds for the sixth consecutive month at 46.5%, however, it showed a slight recovery when compared to the trend seen in the previous months.
- The Uruguay operation contributed to 18.0% of quarterly consolidated sales. **Net sales and SSS** in 3Q20, grew above CPI by 11.2%⁽¹⁾ versus the same period last year and performance was driven by (i) the positive evolution of promotional activities, ii) omnichannel performance (+1.4x vs. 3Q19), and iii) food growth (9.7%) driven by the 18 FreshMarket stores which contributed to 41.7% of total sales (+170 bps vs Q2) and posted an average ticket growth of 1.5x above the other stores. The Devoto, Disco and Geant banners grew sales by low double-digit while Devoto Express stores were affected by a traffic decrease derived from the COVID-19 context.



(1) In local currency, including the calendar effect adjustment of 0.2% in 3Q20.

Operating Performance in Uruguay

- Uruguay results in Colombian pesos had a -6.6% and -5.8% FX effect in 3Q20 and 9M20 respectively.
- Net Revenue** grew by 11.2% in 3Q20 and 12.6% in 9M20 in local currency. Top line performance benefitted by retail sales growing above inflation boosted by omnichannel and the performance of FreshMarket stores.
- Gross Margin** improved 17 bps to 33.2% in 3Q20, benefitted by the mix effect and assertive promotional activities executed to face changes in consumption habits due to COVID-19. In 9M20 gross margin was 33.5%, and margin reflected a stronger commercial activity and the impact of the price freeze policy applied during the second quarter to control inflation.
- Recurring EBITDA** grew by 88 bps to a 9.2% margin in 3Q20 as a percentage of Net Revenues (+22.9% when excluding the -6.6% FX effect). The positive profitability trend is explained by strict expense control activities that led expenditure to grow below inflation in local currency accompanied by a positive volume effect. In the first-nine-months of the year, recurring EBITDA grew by 16.1% to a margin of 10.3%, an improvement of 89 bps versus the same period last year.

Omni-channel, Innovation and Digital Transformation in Uruguay in 3Q20

Omni-channel

Uruguay operation has posted a strong and rapid evolution of its omnichannel strategy along the year. Changes in consumption habits due to COVID-19 had been adequately address by the Company's digital channels. During the third quarter, omnichannel sales grew by 1.4x and represented 2.8% of the country's total sales (+65 bps vs 3Q19), mainly boosted by the strong growth of ecommerce sales. For the 9M20 omnichannel sales represented 3.1% of total sales, an increase of 103 bps when compared to the same period last year.

- Ecommerce:** Sales increased by 2.2x in 3Q20 and represented 1.1% of Grupo Éxito's sales in Uruguay (+54 bps vs 3Q19).
- Last Mile & Home Deliveries:** Sales increased by 37.5% in 3Q20, benefitted by the strong and continuous improvement of the Company's logistic platform.
- Click and Collect:** The service was offered at 40 stores and reached more than 5,700 orders.

Innovation

- **FreshMarket:** During the third quarter, the Company opened 1 store to a total of 18 stores as of 3Q20. FreshMarket stores grew sales by 11.7%, +2.7 p.p. above the other stores and represented 41.7% share of the sales in Uruguay.

Digital Transformation

- **Apps:** Reached over 18,000 users during 3Q20 (+69.0% growth vs. 2Q20) boosted by a digital couponing strategy. Apps sales represented 4.9% of total omnichannel sales (+82 bps vs 2Q20).
- **Start-ups:** The Company partnered with *Endeavor Uruguay* to launch a retail innovation lab and selected around 15 start-ups to work with in 3 categories such as sustainable retail, logistics & last mile and innovative retail to enhance service, operational activities and back office.

Argentina

in COP M	3Q20	3Q19	% Var	9M20	9M19	% Var
Net Sales	222,414	156,616	42.0%	690,015	648,187	6.5%
Other Revenue	13,267	9,002	47.4%	23,784	32,389	(26.6%)
Net Revenue	235,681	165,618	42.3%	713,799	680,576	4.9%
Gross profit	79,267	58,357	35.8%	225,017	227,599	(1.1%)
<i>Gross Margin</i>	<i>33.6%</i>	<i>35.2%</i>	<i>(160) bps</i>	<i>31.5%</i>	<i>33.4%</i>	<i>(192) bps</i>
Total Expense	(79,986)	(51,189)	56.3%	(240,551)	(223,619)	7.6%
<i>Expense/Net Rev</i>	<i>33.9%</i>	<i>30.9%</i>	<i>303 bps</i>	<i>33.7%</i>	<i>32.9%</i>	<i>84 bps</i>
Recurring Operating Income (ROI)	(719)	7,168	(110.0%)	(15,534)	3,980	(490.3%)
<i>ROI Margin</i>	<i>(0.3%)</i>	<i>4.3%</i>	<i>(463) bps</i>	<i>(2.2%)</i>	<i>0.6%</i>	<i>(276) bps</i>
Recurring EBITDA	4,580	7,180	(36.2%)	(1,298)	14,234	(109.1%)
<i>Recurring EBITDA Margin</i>	<i>1.9%</i>	<i>4.3%</i>	<i>(239) bps</i>	<i>(0.2%)</i>	<i>2.1%</i>	<i>(227) bps</i>

Note: Differences in the base versus the one reported in 2019 associated to the inclusion of Onper (the non-operating company through which the Brazilian segment was previously consolidated). Data includes the FX effect of 27.1% for 3Q20 and -15.3% for 9M20 calculated with the closing exchange rate. (1) In local currency and including the calendar effect adjustment of 0.6% in 3Q20.

Net Sales & SSS in Argentina

- The challenging macroeconomic context continued in Argentina, GDP plunged to -19.1% and the poverty rate reached 40.9% during the second quarter affected by COVID-19 measures such as curfews and traffic restrictions. Inflation reduced to 37.7% as of September (vs. 43.6% in 2Q20; 53.5% in 3Q19) and food inflation reduced 11 p.p. to 43.3%. Unemployment increased to 13.1%, the highest level since 2004 and the repo rate remained stable at the 38.0%. Retail sold units decreased by 10.1% and contracted by 27.9% YT-September 2020 (according to CAME) versus the same period last year. The fiscal deficit continues to deteriorate and exceeds 8% of GDP.
- Libertad contributed to 6.0% of consolidated sales in 3Q20 and grew Net sales and SSS by 11.1% in local currency and adjusted by the calendar effect. The retail evolution continued affected by extension of curfews, traffic restrictions

and limited opening hours of stores. Impacted stores grew by 9.7% (-13.7 p.p. below the rest of stores) and represented 24.6% of total sales. Top line evolution also explained more conservative commercial activities under a very competitive context and the difficulties in assortment derived from the decrease in production from suppliers, especially for the technology category.

Operational Performance in Argentina

- Performance from Libertad in Colombian pesos had a 27.1% and -15.3% FX impact in 3Q20 and 9M20, respectively.
- **Net Revenue** grew by 42.3% in 3Q20 and by 4.9% in 9M20 affected by traffic restrictions at stores and shopping centers and decrease of promotional activities. Revenues from the real estate business continued affected by curfews and temporarily closure of galleries during weekends.
- **Gross Profit** grew by 35.8% in COP to a margin of 33.6% as a percentage of Net Revenue during 3Q20. Gross margin reflected the lower contribution from the real estate business, the extension of the maximum prices program and suppliers' difficulties regarding sourcing and production. In 9M20, gross margin was 31.5% as a percentage of Net Revenue.
- **Recurring EBITDA margin** was 1.9% in 3Q20 as a percentage of Net Revenue and -0.2% in the first-nine-month of the year. Margin levels reflected expenses under control growing below inflation in local currency partially offset by a moderate top line growth and a commercial margin evolution affected by a lower contribution from the real estate business affected by low traffic and extension of restrictions.

Omni-channel, Innovation and Digital Transformation in Argentina in 3Q20

The operation in Argentina has adapted to markets demands by strengthening its digital channels through ecommerce, click and collect and home deliveries. The omni-channel strategy represented a 1.4% share on total sales in the country.

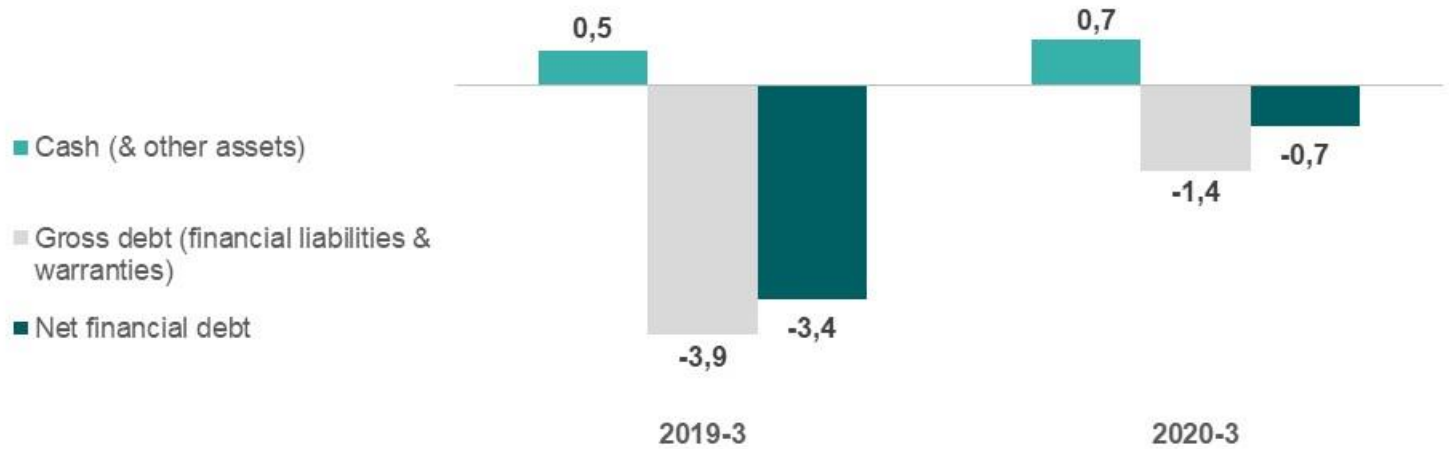
Omni-channel

- **Last Mile & Home Deliveries:** Last mile service in partnership with “Rappi” and “Pedidos Ya” was extended to 8 stores during the third quarter totalling 18 stores (9 Hyper and 9 Proximity). Sales reached ARS \$20 M, grew by 258% vs 3Q19 and +175% in comparable terms and represented 1.5% of the stores' sales. More than 247,000 units were sold through 24,000 orders (1.9x vs 3Q19).
- **Ecommerce:** On-line sales strengthened after adding 4 stores to dispatch orders, thus, completing 9 stores as of 3Q20. The website had over 340,000 visits and a conversion rate of 1.3%.
- **Click and Collect / Click and Car:** During 3Q20, the service became available at 8 additional stores for a total of 9 stores and 2 Commercial galleries implemented the service to face the challenging context.

Innovation

- **FreshMarket:** The model was extended to 1 store totalling 5 FreshMarket stores as of 3Q20. Sales grew by 24.7% (+6.5 p.p. vs. other stores) and represented a 30.5% share of the fresh category sales in Argentina.

III. Financial Performance at Holding⁽¹⁾ Level



1) Holding: Almacenes Éxito S.A results without Colombian or international subsidiaries. Note: IBR 3M (Indicador Bancario de Referencia) – Market Reference Rate: 1.702%, Libor 3M 0.23388%.

Cash and Debt at the holding level

- In 3Q20, cash position increased by COP \$160,000 M and net financial debt improved by 2.7 billion COP compared to the 3Q19, benefitted by variation in working capital (it's noteworthy that NFD improved by COP \$ 2.5 B COP in 2Q20).
- The capital structure improved, and gross debt reduced by COP \$2.6 billion, explained by the COP \$3.3 billion in loan payments and the COP \$900,000 million from new credit lines.
- The repo rate in Colombia was set at 1.75% as of the end of 3Q20 (-250 bps since March 2020) reaching a historical lower level.

IV. 2020 Update on COVID-19

The government in Colombia declared a state of economic, social and health emergency since the 17th of March of 2020, to contain the spread of the pandemic and help to mitigate its associated risk; the decision was extended until August 31st, totalizing 167 days of quarantine and restrictions. During the first three weeks of August, as a reaction to the continuous increases of COVID-19 cases in Medellín, the local government implemented new restrictions and a complete shutdown of commercial activities from Friday to Sunday. Moreover, in Bogotá, the local government reduced opening hours and established localized mobility restrictions throughout the month. These restrictions affected a total of 213 Grupo Éxito stores from all banners in Colombia, which represented 40% of the operation in the country.

Uruguay showed a strong reduction in the number of COVID-19 cases, which allowed the gradual reopening of activities such as theatres and sport events with controlled capacity. In Argentina, the government announced the continuity of the social, preventive and mandatory isolation due to the large number of COVID-19 cases within the country. These measures strongly impacted the operation of 4 top Libertad stores which represented almost 25% of the total sales of the operation.

Grupo Éxito continued working on behalf of its stakeholders implementing measures and good practices during the emergency generated by COVID-19. During 3Q20, the Company maintained, and reinforced mitigation strategies and actions focused on the well-being of its customers and employees to guarantee their physical security. Additionally, the Company continued supporting small and medium-sized suppliers by paying them in advance and guarantee their cash flows and operation and the preservation of employment.

V. 3Q20 Conclusions

LatAm Platform

- Focus on profitable expansion in omni-channel and innovative models, have allowed SSS expansion year-to-date amidst the negative effect from mobility restrictions and macro headwinds across the region due to COVID-19.
- Expenses grew below sales growth across operations from the consistency of the operating excellence program and the exchange of best practices.
- Recurring EBITDA levels reflected an improved retail business performance (+90 bps) affected by the effect from COVID-19 on complementary businesses (-170 bps). Recurring EBITDA YTD in COP, in line with 2019.
- Operational cash generation ease the sustainability of the business in the long run.
- Net Income improved by 4.7x from a leaner financial structure, income from associates (TUYA) and the solid performance in Uruguay.
- Grupo Éxito is one of the on-line food player leaders in LatAm.

Colombia

- The operation posted the best omnichannel quarterly growth (3.5x; GMV share of 18.2%) and sales reached COP \$1 billion year-to-date.
- The retail business showed the dynamism of the non-food category and the accuracy on strategy execution.
- The Éxito WOW and Carulla FreshMarket stores grew sales by double-digit above the rest of stores and proved their relevance.

Uruguay

- SSS evolution (+11.2%⁽¹⁾) confirmed the positive trend seen from previous quarters.
- Omnichannel growth (1.4x) and the outcome from the 18 Fresh Market stores contributed to top line performance.
- Continuous recurring EBITDA margin expansion (+88 bps) from operating efficiencies.

Argentina

- Top line trend reflected the negative effect from macroeconomic headwinds and mobility restrictions.
- Control on expenditure favoured EBITDA generation and cash position amidst a challenging context.

Consolidated data include results from Colombia, Uruguay and Argentina, the net result Gemex O&W S.A.S. (2019 and 2020) registered as discontinued operation and eliminations. (1) Data excludes the FX effect (0.1% at top line in 3Q20 at consolidated level) and the calendar effect adjustment.

VI. Grupo Éxito Strategic Pillars 2020 - 2022

Grupo Éxito’s strategy for 2020 to 2022, is comprised of five pillars, to adapt to changes in consumer trends and guarantee the Company’s sustainable growth in the long run. The goal is to implement and improve key activities, such as customer service, relational marketing, supplier relationships all supported by IT developments. These activities involve all countries in which the Company operates, and the implementation of these initiatives will follow a top-down approach.



1. Innovation

Activities to constantly innovate on stores, in brands and products in accordance with customer requirements.

- **Models:** upgrading retail by innovating premium stores with FreshMarket across the region and with the Wow model at hypermarkets in Colombia.
 - The “FreshMarket” model aims to innovate the fresh food category, renovate stores and improve layouts. Furthermore, it includes digital activities, such as apps, improved customer service and strengthening key offerings, such as events for wine, pasta, cheese and coffee related to the premium banner.
 - The “Wow” model: Launched in Colombia in 2018 regards to the hypermarket of the future, a shopping experience connected to the digital world, superior customer service and improved focus on fresh products.
- **Formats/Banners:** improving the store portfolio base by focusing on converting and renovating stores into key profitable formats such:
 - Cash & Carry: to compete versus both the formal and informal markets. The format operates with low operating costs and CAPEX requirements, driving returns and boosting sales following conversions.
- **Private Label:** development of the current portfolio of products to improve competitiveness by offering customers the lowest price and the best quality available. The Group is already strengthening well-known brands such as Frescampo in Colombia and positioning Taeq as the most important one for healthy products across the region.

2. Omni-channel Model:

Integration of virtual and physical platform to offer clients various channels, products and services to interact with the Company. Related to the development of:

- **E-commerce:** differentiated websites by genre, for non-food and food categories.
- **Market Place:** to improve the customer shopping experience by including multiple vendors, raising the number of transactions through the Company's websites.
- **Home Delivery & Last Milers:** to enhance convenience for customers through the development of start-ups such as last milers.
- **Digital Catalogues:** kiosks available at stores to purchase and order online.
- **Click & Collect:** service available for food and non-food purchases online to be collected at stores.

3. Digital Transformation

This pillar included the creation of the Digital Transformation Department in Colombia.

- **Apps:** to improve customer service, reinforced loyalty and increase share of wallet.
- **Start-ups:** research and analyse the feasibility of start-ups with which the Company may enhance service, operational activities and back office. Other analyses underway include artificial intelligence and image recognition.
- **Additional Activities:**
 - **Frictionless developments:** to improve the customer service experience at stores, especially when purchasing and paying for groceries or services, to reduce waiting time perception, by implementing:
 - ✓ Self-check-out: customer self-scanning, payment and packaging.
 - ✓ Mobile POS: on-foot cashier.
 - ✓ Scan & Pay: customer self-scanning and on-line receipt ready to be processed at the cashier.
 - ✓ Shop & Go: customer self-scanning, on-line payment through the app and go.
 - **Customer Service:** activities to improve relationship with clients and improving waiting time perception by using trendy channels such as:
 - ✓ Chatbot: 24-hour virtual assistant to answer questions/requirements from clients.
 - ✓ Social Marketing: active attention to customer's social media behaviour and using data collected to improve service and processes.
 - ✓ Social Wi-Fi: free high-quality internet connection available for clients.
 - ✓ Kiosks: interactive devices to allow our customers to self-manage purchases.
 - **Data Analytics:** usage of all data collected through all channels and IT developments to improve customer knowledge and internal data management.
 - ✓ Predictive Models: analyse common trends to improve the understanding of customer, demand, logistics and supply chain.
 - ✓ CRM: Customer Relationship Management.
 - ✓ Relational discounts models, such as "Club del Comerciante" recently launched by Surtimayorista to offer discounts to HORECA customers based on their purchases, aiming to increase average basket by improving cross-selling.
 - **Logistic and Supply Chain**
 - ✓ Inventory Management: improvement and optimization by usage of data and trends.

- ✓ Productivity Management: transforming processes by focusing in agility, flexibility, efficiency and supply chain precision.
- **HR Management**
 - ✓ Transforming management of human resources by creating on-line platforms for employee selection and recruitment processes, training and HR data management.

4. **Best Practices and Integration**

- **Asset Monetization:** to improve the Company's returns by developing:
 - Real Estate optimization.
 - Non-core asset disposal, to focus on the food segment cross the region.
- **Traffic Monetization:** to boost growth by leveraging activities through the development of:
 - Loyalty Programs: which provide high potential for data monetization – transactional information, consumer data and marketing focused campaigns.
 - Complementary businesses: to optimize revenue from the financial, insurance, travel, mobile and money transfer businesses.
- **Operational Excellence:** execution of the program across countries to maintain SG&A expense growth below inflation levels, by focusing on:
 - Logistics & Supply Chain: improving the operation by setting stores and dark stores to support omni-channel activities and rolling out inventory management activities.
 - Lean Productivity Schemes: review of processes and structures across the diverse business units.
 - Joint Purchasing: commodity purchasing activities, including indirect goods, services and technology across the region to deliver cost savings.
 - Back Office: opportunities to further optimize and centralize diverse processes across the region.

5. **Sustainable Shared Value**

- **Gen Cero**
 - Focusing on childhood nutrition
- **Sustainable trade**
 - Direct local purchasing
- **My Planet**
 - Protecting the environment
- **Healthy Lifestyle**
 - Offering a healthy portfolio to customers
- **Employee well-being**
 - HR development

VII. Additional Information

Conference Call Details

Almacenes Éxito S.A. (BVC: EXITO)

Cordially invites you to participate in its Third Quarter 2020 Results Conference Call

Date: Thursday, October 29, 2020

Time: 11:00 a.m. Eastern Time

10:00 a.m. Colombia Time

Presenting for Grupo Exito:

Carlos Mario Giraldo Moreno, Chief Executive Officer

Ruy Souza, Chief Financial Officer

María Fernanda Moreno, Investor Relations Manager

To participate, please dial:

USA Toll Free: 1 (888) 771-4371

Colombia Toll Free: 01 800 9 156 924

International (Outside USA dial): +1 (847) 585-4405

Conference ID number: **49986323**

3Q20 results will be accompanied by a webcast presentation and audio webcast that will be available on the company's website at www.grupoexito.com.co or under

<https://onlinexperiences.com/Launch/QReg/ShowUUID=CB5E0E82-A019-45BB-8877-46224CA331FE&LangLocaleID=1033>

For more information please contact: Almacenes Éxito S.A. Investor Relations,
exitoinvestor.relations@grupo-exito.com

Upcoming Financial Publications

Fourth Quarter and FY 2020 Earnings Release – TBC

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Company Description

Grupo Éxito is one of the largest multinationals in Colombia and a relevant food retailer in South America, with operations in Colombia, Uruguay and Argentina. The Company has clear competitive advantages derived from its strength in innovation, bricks and mortar, and the value of their brands, supported by the quality of its human resource. Grupo Éxito also leads an omnichannel strategy and diversifies its revenue with a sound set of complementary businesses to enhance its retail offering.

In 2019, Consolidated Net Revenues totalled COP \$15.3 billion derived from retail sales and its strong portfolio of complementary businesses: credit card, travel, insurance, mobile operator, money transfers and real estate with shopping malls in Colombia and Argentina. The Company operated 653 stores: in Colombia with Grupo Éxito, in Uruguay with Grupo Disco and Grupo Devoto, and in Argentina with Libertad.

Grupo Éxito's solid omni-channel model and multi-format and multi-brand strategies make it the leader in all modern retail segments. The Company's hypermarkets lead under the Éxito, Geant and Libertad banners; in premium supermarkets under the Carulla, Disco and Devoto brands; in proximity under the Carulla, Éxito, Devoto and Libertad Express brands. In the low-cost market the Group operates stores under banners Surtimax, Super Inter and Surtimayorista in Colombia.

In 2019 the Company officially declared its Digital Transformation Strategy to adapt to changes in consumer trends.

VIII. Appendices

Notes:

- Numbers expressed in COP billion represent 1.000.000.000.000.
- Growth and variations expressed versus the same period last year, except when stated otherwise.
- Sums and percentages may reflect discrepancies due to rounding of figures.
- All margins are calculated as percentage of net revenue.

Glossary

- **Colombia results** includes the consolidation of Almacenes Éxito S.A. and its subsidiaries in the country.
- **Consolidated results:** includes Almacenes Éxito results, Colombian and international subsidiaries in Uruguay and Argentina.
- **EBIT:** Recurring Operating Income adjusted for the other non-recurring operational income/expense result.
- **EBITDA:** Earnings before Interest, Taxes, Depreciation and Amortization.
- **EPS:** Earnings Per Share calculated on an entirely diluted basis.
- **Financial Result:** impacts of interests, derivatives, financial assets/liabilities valuation, FX changes and other related to cash, debt and other financial assets/liabilities.
- **GLA:** Gross Leasable Area.
- **GMV:** Gross Merchandise Value.
- **Holding:** includes Almacenes Éxito results without Colombian and international subsidiaries.
- **Net Group Share Result:** net result attributable to Grupo Éxito's shareholders.
- **Net Revenue:** total revenue related to total net sales and other revenue.
- **Other Revenue:** revenue related to complementary businesses (real estate, insurance, financial services, travel, etc.) and other revenue.
- **Recurring EBITDA:** measure of profitability that includes Recurring Operating Income adjusted for Depreciation and Amortization both in cost and expense (D&A).
- **Recurring Operating Income (ROI):** includes the Gross Profit adjusted by SG&A expense and D&A.
- **SSS:** same-store-sales levels, including the effect of store conversions.
- **Total Net Sales:** sales related to the retail business.

1. Consolidated P&L

in COP M	3Q20	3Q19	% Var	9M20	9M19	% Var
Net Sales	3,507,629	3,424,872	2.4%	10,967,573	10,423,901	5.2%
Other Revenue	142,310	199,597	(28.7%)	423,253	544,654	(22.3%)
Net Revenue	3,649,939	3,624,469	0.7%	11,390,826	10,968,555	3.8%
Cost of Sales	(2,724,185)	(2,690,627)	1.2%	(8,518,121)	(8,153,245)	4.5%
Cost D&A	(23,883)	(16,136)	48.0%	(57,837)	(45,515)	27.1%
Gross Profit	901,871	917,706	(1.7%)	2,814,868	2,769,795	1.6%
<i>Gross Margin</i>	<i>24.7%</i>	<i>25.3%</i>	<i>(61) bps</i>	<i>24.7%</i>	<i>25.3%</i>	<i>(54) bps</i>
SG&A Expense	(676,297)	(658,489)	2.7%	(2,061,273)	(2,005,949)	2.8%
Expense D&A	(107,387)	(109,788)	(2.2%)	(327,637)	(336,586)	(2.7%)
Total Expense	(783,684)	(768,277)	2.0%	(2,388,910)	(2,342,535)	2.0%
<i>Expense/Net Rev</i>	<i>21.5%</i>	<i>21.2%</i>	<i>27 bps</i>	<i>21.0%</i>	<i>21.4%</i>	<i>(38) bps</i>
Recurring Operating Income (ROI)	118,187	149,429	(20.9%)	425,958	427,260	(0.3%)
<i>ROI Margin</i>	<i>3.2%</i>	<i>4.1%</i>	<i>(88) bps</i>	<i>3.7%</i>	<i>3.9%</i>	<i>(16) bps</i>
Non-Recurring Income/Expense	(19,269)	(5,118)	N/A	(88,496)	(38,284)	N/A
Operating Income (EBIT)	98,918	144,311	(31.5%)	337,462	388,976	(13.2%)
<i>EBIT Margin</i>	<i>2.7%</i>	<i>4.0%</i>	<i>N/A</i>	<i>3.0%</i>	<i>3.5%</i>	<i>(58) bps</i>
Net Financial Result	(70,166)	(127,924)	(45.2%)	(189,905)	(349,615)	(45.7%)
Associates & Joint Ventures Results	43,337	1,232	N/A	12,899	(6,097)	N/A
EBT	72,089	17,619	N/A	160,456	33,264	N/A
Income Tax	3,784	(931)	N/A	1,199	(7,801)	N/A
Net Result	75,873	16,688	N/A	161,655	25,463	N/A
Non-Controlling Interests	(23,869)	(169,228)	(85.9%)	(74,046)	(834,977)	(91.1%)
Net Result of Discontinued Operations	(190)	163,573	N/A	(1,021)	789,995	NA
Net Group Share Result	51,814	11,033	369.6%	86,588	(19,519)	(543.6%)
<i>Net Margin</i>	<i>1.4%</i>	<i>0.3%</i>	<i>112 bps</i>	<i>0.8%</i>	<i>(0.2%)</i>	<i>94 bps</i>
Recurring EBITDA	249,457	275,353	(9.4%)	811,432	809,361	0.3%
<i>Recurring EBITDA Margin</i>	<i>6.8%</i>	<i>7.6%</i>	<i>(76) bps</i>	<i>7.1%</i>	<i>7.4%</i>	<i>(26) bps</i>
EBITDA	230,188	270,235	(14.8%)	722,936	771,077	(6.2%)
<i>EBITDA Margin</i>	<i>6.3%</i>	<i>7.5%</i>	<i>N/A</i>	<i>6.3%</i>	<i>7.0%</i>	<i>(68) bps</i>

Note: Consolidated data include results from Colombia, Uruguay and Argentina, eliminations and the FX effect (0.1% and -0.5% at top line and at recurring EBITDA in 3Q20 and of -1.9% and -1.5% in 9M20, respectively).

2. P&L and CAPEX by Country

Income Statement	<u>Colombia</u>	<u>Uruguay</u>	<u>Argentina</u>	<u>Consol</u>
in COP M	3Q20	3Q20	3Q20	3Q20
Net Sales	2,665,349	622,176	222,414	3,507,629
Other Revenue	122,829	6,303	13,267	142,310
Net Revenue	2,788,178	628,479	235,681	3,649,939
Cost of Sales	(2,152,203)	(418,347)	(156,339)	(2,724,185)
Cost D&A	(22,483)	(1,325)	(75)	(23,883)
Gross profit	613,492	208,807	79,267	901,871
<i>Gross Margin</i>	<i>22.0%</i>	<i>33.2%</i>	<i>33.6%</i>	<i>24.7%</i>
SG&A Expense	(449,421)	(152,001)	(74,762)	(676,297)
Expense D&A	(90,541)	(11,622)	(5,224)	(107,387)
Total Expense	(539,962)	(163,623)	(79,986)	(783,684)
<i>Expense/Net Rev</i>	<i>19.4%</i>	<i>26.0%</i>	<i>33.9%</i>	<i>21.5%</i>
Recurring Operating Income (ROI)	73,530	45,184	(719)	118,187
<i>ROI Margin</i>	<i>2.6%</i>	<i>7.2%</i>	<i>(0.3%)</i>	<i>3.2%</i>
Non-Recurring Income and Expense	(15,082)	(2,413)	(1,774)	(19,269)
Operating Income (EBIT)	58,448	42,771	(2,493)	98,918
<i>EBIT Margin</i>	<i>2.1%</i>	<i>6.8%</i>	<i>(1.1%)</i>	<i>2.7%</i>
Net Financial Result	(60,733)	(3,854)	(5,387)	(70,166)
Recurring EBITDA	186,554	58,131	4,580	249,457
<i>Recurring EBITDA Margin</i>	<i>6.7%</i>	<i>9.2%</i>	<i>1.9%</i>	<i>6.8%</i>
CAPEX				
<i>in COP M</i>	51,320	15,262	1,869	68,451
<i>in local currency</i>	51,320	174	39	

Note: Consolidated data include results from Colombia, Uruguay and Argentina, eliminations and the FX effect (0.1% and -0.5% at top line and at recurring EBITDA in 3Q20 and of -1.9% and -1.5% in 9M20, respectively). The Colombian perimeter includes the consolidation of Almacenes Éxito S.A. and its subsidiaries in the country.

3. Consolidated Balance Sheet

in COP M	Dec 2019	Sep 2020	Var %
Assets	15,861,015	14,764,732	(6.9%)
Current assets	5,356,665	4,027,399	(24.8%)
Cash & Cash Equivalents	2,562,674	1,096,249	(57.2%)
Inventories	1,900,660	2,050,632	7.9%
Accounts receivable	379,921	414,226	9.0%
Assets for taxes	333,850	316,731	(5.1%)
Assets held for sale	37,928	21,433	(43.5%)
Others	141,632	128,128	(9.5%)
Non-current assets	10,504,350	10,737,333	2.2%
Goodwill	2,929,751	2,995,969	2.3%
Other intangible assets	304,215	329,097	8.2%
Property, plant and equipment	3,845,092	3,849,537	0.1%
Investment properties	1,626,220	1,623,802	(0.1%)
Right of Use	1,303,648	1,360,174	4.3%
Investments in associates and JVs	210,487	260,888	23.9%
Deferred tax asset	177,269	235,173	32.7%
Assets for taxes	-	-	N/A
Others	107,668	82,693	(23.2%)
Liabilities	7,416,173	7,140,997	(3.7%)
Current liabilities	5,906,214	5,233,684	(11.4%)
Trade payables	4,662,801	3,245,331	(30.4%)
Lease liabilities	222,177	213,752	(3.8%)
Borrowing-short term	616,822	1,486,315	N/A
Other financial liabilities	114,871	49,263	(57.1%)
Liabilities held for sale	-	-	N/A
Liabilities for taxes	72,910	57,225	(21.5%)
Others	216,633	181,798	(16.1%)
Non-current liabilities	1,509,959	1,907,313	26.3%
Trade payables	114	78	(31.6%)
Lease liabilities	1,308,054	1,380,254	5.5%
Borrowing-long Term	43,531	357,348	N/A
Other provisions	18,998	14,843	(21.9%)
Deferred tax liability	116,503	132,490	13.7%
Liabilities for taxes	800	744	(7.0%)
Others	21,959	21,556	(1.8%)
Shareholder´s equity	8,444,842	7,623,735	(9.7%)

Note: Consolidated data include figures from Colombia, Uruguay and Argentina.

4. Consolidated Cash Flow

in COP M	Sep 2020	Sep 2019	Var %
Profit	160,634	815,458	(80.3%)
Adjustment to reconcile Net Income	624,390	2,599,021	(76.0%)
Cash Net (used in) Operating Activities	(1,229,289)	(2,252,534)	(45.4%)
Cash Net (used in) Investment Activities	(187,072)	(36,108)	N/A
Cash net provided by Financing Activities	(54,559)	7,893,876	N/A
Var of net of cash and cash equivalents before the FX rate	(1,470,920)	5,605,234	N/A
Effects on FX changes on cash and cash equivalents	4,495	(131,536)	N/A
(Decrease) net of cash and cash equivalents	(1,466,425)	5,473,698	N/A
Opening balance of cash and cash equivalents discontinued operations			
Opening balance of cash and cash equivalents	2,562,674	5,973,680	(57.1%)
Ending balance of cash and cash equivalents discontinued operations	-	(10,610,011)	N/A
Ending balance of cash and cash equivalents	1,096,249	837,367	30.9%

Note: Consolidated data include figures from Colombia, Uruguay and Argentina.

5. Debt by Country- Currency and Maturity

Net debt breakdown by country

30 Sep 2020, (millions of COP)	Holding (2)	Colombia	Uruguay	Argentina	Consolidated
Short-term debt	1,078,670	1,100,681	413,283	21,614	1,535,578
Long-term debt	338,399	357,358	0	-	357,358
Total gross debt (1)	1,417,069	1,458,039	413,283	21,614	1,892,936
Cash and cash equivalents	712,291	797,753	239,946	58,550	1,096,249
Net debt	- 704,778	660,286	173,337	36,936	796,687

Holding Gross debt by maturity

30 Sep 2020, (millions of COP)	Nominal amount	Nature of interest rate	Maturity Date	30-sep-20
Revolving credit facility - Bilateral	100,000	Floating	January 2021	
Short Term - Bilateral	600,000	Floating	March 2021	600,000
Mid Term - Bilateral	135,000	Floating	June 2022	135,000
Revolving credit facility - Bilateral	100,000	Floating	August 2022	
Revolving credit facility - Syndicated	500,000	Floating	August 2022	350,000
Long Term - Bilateral	290,000	Floating	March 2026	265,833
Total gross debt (1)	1,725,000			1,350,833

Note: The Colombian perimeter includes the consolidation of Almacenes Éxito S.A. and its subsidiaries in the country. 1) Debt without contingent warranties and letters of credits. (2) Holding gross debt issued 100% in Colombian Pesos with an interest rate below IBR3M + 4.0%. Debt at the nominal amount. IBR 3M (Indicador Bancario de Referencia) – Market Reference Rate: 1.702%. (Other Collections included and positive hedging valuation not included.

6. Financial Indicators

	Indicators at Consolidated Level		Indicators at Holding Level	
	September 2020	December 2019	September 2020	December 2019
Assets / Liabilities	2.07	2.14	1.98	2.14
Liquidity (Current Assets / Current Liabilities)	0.77	0.91	0.73	0.92

7. Almacenes Éxito⁽¹⁾ P&L

in COP M	3Q20	3Q19	% Var	9M20	9M19	% Var
Net Sales	2,666,251	2,675,083	(0.3%)	8,319,992	7,934,566	4.9%
Other Revenue	80,292	116,049	(30.8%)	214,865	293,652	(26.8%)
Net Revenue	2,746,543	2,791,132	(1.6%)	8,534,857	8,228,218	3.7%
Cost of Sales	(2,149,690)	(2,179,675)	(1.4%)	(6,708,911)	(6,466,793)	3.7%
Cost D&A	(20,881)	(13,055)	59.9%	(49,226)	(37,450)	31.4%
Gross profit	575,972	598,402	(3.7%)	1,776,720	1,723,975	3.1%
<i>Gross Margin</i>	<i>21.0%</i>	<i>21.4%</i>	<i>(47) bps</i>	<i>20.8%</i>	<i>21.0%</i>	<i>(13) bps</i>
SG&A Expense	(448,440)	(441,272)	1.6%	(1,309,688)	(1,258,242)	4.1%
Expense D&A	(81,945)	(91,378)	(10.3%)	(255,317)	(271,898)	(6.1%)
Total Expense	(530,385)	(532,650)	(0.4%)	(1,565,005)	(1,530,140)	2.3%
<i>Expense/Net Rev</i>	<i>(19.3%)</i>	<i>(19.1%)</i>	<i>(23) bps</i>	<i>(18.3%)</i>	<i>(18.6%)</i>	<i>26 bps</i>
Recurring Operating Income (ROI)	45,587	65,752	(30.7%)	211,715	193,835	9.2%
<i>ROI Margin</i>	<i>1.7%</i>	<i>2.4%</i>	<i>(70) bps</i>	<i>2.5%</i>	<i>2.4%</i>	<i>12 bps</i>
Non-Recurring Income and Expense	(14,194)	(2,792)	N/A	(64,996)	(32,855)	97.8%
Operating Income	31,393	62,960	(50.1%)	146,719	160,980	(8.9%)
<i>EBIT Margin</i>	<i>1.1%</i>	<i>2.3%</i>	<i>(111) bps</i>	<i>1.7%</i>	<i>2.0%</i>	<i>(24) bps</i>
Net Financial Result	(73,250)	(112,192)	(34.7%)	(196,808)	(327,308)	(39.9%)
Net Group Share Result	51,814	11,033	369.6%	86,588	(19,519)	N/A
<i>Net Margin</i>	<i>1.9%</i>	<i>0.4%</i>	<i>149 bps</i>	<i>1.0%</i>	<i>(0.2%)</i>	<i>125 bps</i>
Recurring EBITDA	148,418	170,185	(12.8%)	516,258	503,183	2.6%
<i>Recurring EBITDA Margin</i>	<i>5.4%</i>	<i>6.1%</i>	<i>(69) bps</i>	<i>6.0%</i>	<i>6.1%</i>	<i>(7) bps</i>

(1) Holding: Almacenes Éxito results without Colombian subsidiaries.

8. Almacenes Éxito⁽¹⁾ Balance Sheet

in COP M	Dec 2019	Sep 2020	Var %
Assets	13,519,213	12,747,543	(5.7%)
Current assets	4,448,466	3,030,347	(31.9%)
Cash & Cash Equivalents	2,206,153	712,291	(67.7%)
Inventories	1,555,865	1,656,772	6.5%
Accounts receivable	199,712	241,397	20.9%
Assets for taxes	314,736	281,164	(10.7%)
Others	172,000	138,723	(19.3%)
Non-current assets	9,070,747	9,717,196	7.1%
Goodwill	1,453,077	1,453,077	0.0%
Other intangible assets	159,225	172,532	8.4%
Property, plant and equipment	2,027,180	1,951,067	(3.8%)
Investment properties	91,889	89,957	(2.1%)
Right of Use	1,411,410	1,838,344	30.2%
Investments in subsidiaries, associates and JVs	3,614,639	3,868,506	7.0%
Others	313,327	343,713	9.7%
Liabilities	6,322,685	6,423,178	1.6%
Current liabilities	4,847,078	4,158,067	(14.2%)
Trade payables	3,901,549	2,558,390	(34.4%)
Lease liabilities	224,492	202,899	(9.6%)
Borrowing-short term	204,705	1,032,059	N/A
Other financial liabilities	95,437	46,611	(51.2%)
Liabilities for taxes	66,270	45,427	(31.5%)
Others	354,625	272,681	(23.1%)
Non-current liabilities	1,475,607	2,265,111	53.5%
Lease liabilities	1,394,323	1,853,342	32.9%
Borrowing-long Term	6,293	338,389	N/A
Other provisions	53,056	51,847	(2.3%)
Deferred tax liability	-	-	0
Others	21,935	21,533	(1.8%)
Shareholder´s equity	7,196,528	6,324,365	(12.1%)

(1) Holding: Almacenes Éxito Results without Colombian or international subsidiaries.

9. Stores and Selling Area

<u>Banner by country</u>	<u>Store number</u>	<u>Sales Area (sqm)</u>
Colombia		
Éxito	242	620,064
Carulla	96	85,686
Surtimax	74	34,271
Super Inter	69	65,557
Surtimayorista	34	33,621
Total Colombia	515	839,199
Uruguay		
Devoto	59	40,127
Disco	29	33,452
Geant	2	16,411
Total Uruguay	90	89,990
Argentina		
Libertad	15	103,967
Mini Libertad	10	1,796
Total Argentina	25	105,763
TOTAL	630	1,034,952

Note: The store count does not include allies in Colombia.

Note on Forward-Looking Statements

This document contains certain forward-looking statements based on data, assumptions and estimates, that the Company believes are reasonable, however, it is not historical data and should not be interpreted as guarantees of its future occurrence. Grupo Éxito operates in a competitive and rapidly changing environment, therefore, it is not in a position to predict all of the risks, uncertainties or other factors that may affect its business, their potential impact on its business, or the extent to which the occurrence of a risk or a combination of risks could have results that are significantly different from those included in any forward-looking statement.

The forward-looking statements contained in this document are made only as of the date hereof. Except as required by any applicable law, rules or regulations, Grupo Éxito expressly disclaims any obligation or undertaking to publicly release any updates of any forward-looking statements contained in this press release to reflect any change in its expectations or any change in events, conditions or circumstances on which any forward-looking statement contained in this press release is based.

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